

Virginia Seed Fund Capacity Building Support Grant Program Design

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INTRODUCTION

The Seed Program is a two-year capacity building program that provides financial assistance for operating support and technical assistance to develop the capacity of 501(c)(3) nonprofit community-based organizations. The program is targeted to nonprofits that have identified a gap in their capacity and are open to capacity building and the provision of technical assistance.

Funding for the Seed Program is authorized through an appropriation from the Virginia General Assembly and is designated for organizations engaged in community development activities throughout the Commonwealth.

A total of \$200,000 is available for the 2007 fiscal year. Eligible organizations can apply for and receive up to \$20,000 per program year. The Department of Housing and Community Development (DHCD), through the Office of Community Capacity Building (OCCB), administers this program.

DHCD reserves the right to amend any portion of the 2007 Program Design which is impacted by any Federal or state regulations that become effective subsequent to its publication.

Copies of the 2007 Program Design will be available from DHCD via the U.S. Mail or Internet. DHCD contact information is as follows:

Virginia Department of Housing and Community Development
The Jackson Center
501 North Second Street
Richmond, Virginia 23219
(804) 371-7075
(804) 371-7084 TDD
<http://www.dhcd.virginia.gov>

Michelle D. Jones
Associate Director
Michelle.D.Jones@dhcd.virginia.gov
(804) 371-7131

OFFICE OF COMMUNITY CAPACITY BUILDING OVERVIEW

The Office of Community Capacity Building (OCCB) was created in 2002 in response to growing evidence of the nexus between strong organizational capacity and non-profits' success at implementing their mission. The purpose of OCCB is to serve as a catalyst for improving Virginia's Community Development partners' effectiveness to achieve their mission. This is accomplished by providing capacity building services in five key areas:

- Organizational Development and Growth
- Organizational Management
- Resource Development
- Program Development
- Community Relations and Accountability

Capacity building can be defined many ways, but at its core, it is any activity that improves organizational effectiveness. Effectiveness is accomplished by an organization “fulfilling its mission through a blend of sound management, strong governance, and persistent rededication to achieving results.” Therefore, OCCB’s goal is to strengthen Virginia-based nonprofit organizations by improving their organizational capacity through training and technical assistance. To this end, OCCB seeks to have sustainable organizations that improve the quality of life in their communities.

OCCB offers a variety of services, primarily to nonprofit organizations and local governments located in non-entitlement communities throughout Virginia to assist with increasing capacity. Further information on these programs and services can be found in **Appendix A**.

SEED PROGRAM FUNDING

Funding for the Seed Program is authorized through an appropriation from the Virginia General Assembly. Funds are designated for organizations engaged in community development activities throughout the Commonwealth that are eligible to access DHCD's resources. Awards are subject to the continued availability of such Seed Funds, as determined by federal and/or state action and/or law. In the event Seed Funds become unavailable, either in whole or in part, DHCD will notify the applicant in writing either to terminate the award, reduce the allocation of the funds, or take other appropriate action necessitated by any change in the availability of Seed Funds.

A total of \$200,000 is available for the 2007 fiscal year. Eligible organizations can apply for and receive up to \$20,000 per program year.

A twenty-five percent (25%) cash match is required for the Seed Support Grant.

Award Adjustment

DHCD/OCCB reserves the right to adjust funding amounts for each application selected. Applicants can apply for up to \$20,000 per year in Seed Funding. The amount stated is provided to assist applicants to develop budgets and does not represent the exact amounts to be awarded. Once applicants are selected for award, DHCD/OCCB will determine the total amount to be awarded to any selected applicants.

SEED APPLICATION REVIEW AND SELECTION

Funding for the Seed program will be awarded on a competitive basis. Applicants will receive a higher rating score if they:

- Provide a clear description of the organization's purpose, activities, and methods of operation,
- Provide a clear description of the organization's capacity building needs, technical assistance needs, and a proposal to address those needs. The specific changes or impacts should be addressed as well,
- Show the ability to effectively utilize the new information and skills that they propose to acquire, and
- Describe how enhancing their organizational capacity will ultimately benefit the communities they serve

The Seed Fund Capacity Building Support Grant application is comprised of three sections:

1. Required Documents
2. Narrative Factors (Scoring Sections)
3. Other documents if applicable

The Narrative section consists of four narrative questions. Each question requires multiple responses. The maximum number of points to be awarded is 100, and each question is assigned a point total.

Review and Notification Process

Three types of reviews will be conducted. First, OCCB will review each application to determine whether it meets the minimum eligibility requirements. Second, OCCB will review and assign scores to the applications based on the responses to the narrative questions. Third, OCCB staff will conduct an onsite interview with the finalists.

Successful applicants will receive notification from OCCB via phone call or in writing via e-mail or letter. Unsuccessful applicants will receive notification from OCCB in writing.

Applicants must be available to attend an orientation session in which new Seed Grantees will meet other applicants and learn about OCCB, its services and program compliance for the Seed grant. Attendance is **mandatory** for the orientation with a minimum requirement attendance of the Executive Director and one board member. If the organization does not have an Executive Director, only one board member should plan to attend the workshop.

Agreement Execution

Upon completion of the orientation, selected applicants are provided a cooperative agreement for execution by its governing body. Upon return of the executed agreement to OCCB, program requirements commence.

Organizations are required to sign an agreement upon acceptance into the Seed Program. The agreement is a legal binding document specifying terms between the Department of Housing and Community Development (DHCD) and the organization.

In signing the agreement the grantee agrees that

- The organization will work with DHCD to develop a work plan for the coming year that clearly identifies tasks, targets and performance outcomes,
- The organization agrees to quarterly monitoring visits,
- The organization agrees to provide written monthly performance reports,
- The organization agrees that funds will be reimbursed based upon achievement of milestones and outcomes, and
- The organization agrees to attend and participate in required on-site and off-site program trainings.

In addition, by signing the agreement, the grantee will accept that the following conditions may lead to termination or suspension of the Seed agreement:

- Failure to comply with terms, conditions or requirements of the Seed grant agreement,
- Grant agreement violations and/or early termination of the program before completion, and
- Lack of DHCD funding for the program.

Further information on application requirements can be found online <http://www.dhcd/CD/OCCB> in the Seed Program Application.

SEED PROGRAM POLICIES AND GUIDELINES

The Seed Program is a two-year capacity building program that provides financial assistance for operating support and technical assistance to develop the capacity of 501(c)(3) nonprofit community-based organizations. The program is targeted to nonprofits that have identified a gap in their capacity and are open to capacity building and the provision of technical assistance.

Eligible Applicants

Eligible applicants include civic or community-based organizations that:

- Are incorporated as a 501 (c) (3) with the IRS,
- Are not currently receiving HOME operating funds from state or local sources
- Are serving a non-entitlement geographic area or population (**See Appendix B**)
- Are eligible to access funding and/or services from DHCD
- Are incorporated with State Corporation Commission
- Have established By-laws
- Have an existing checking account
- Are registered with the Department of Agriculture and Consumer Services, and
- Have an active email address or are committed to establishing one

Program Design and Approach

The Seed Capacity Building Program continues to evolve as OCCB incorporates the best research, practices and lessons learned into the program design. Twelve key values that define the program's approach are described below:

Flexibility: OCCB recognizes that nonprofit capacity building is multi-faceted and that organizations may experience a variety of challenges along their path toward sustainability and excellence. In addition, OCCB understands that almost everything about capacity building takes longer and can be more complicated than one would expect. For this reason, grantees are eligible to participate in the program for two years.

Partnership: OCCB is a partner and investor in the organizations we fund. Capacity building is viewed as a collaborative effort in which OCCB staff work closely with the organization to develop and achieve shared goals.

Initiative: The grantee organization, both the staff and the Board of Directors, is expected to take ownership of the elements of capacity building and should be a committed partner in improving the organization. Every organization is capable and in charge of building its own capacity.

Comprehensiveness: Nonprofits often have a number of needs. Accordingly, OCCB's program is designed such that grantees can access a comprehensive range of services, including assessments, technical assistance, financial aid, and training.

Customization: OCCB services are custom tailored to the type of nonprofit, its current challenges and strengths, and its place in the organization's life cycle.

Competence: Services will be offered by well-trained providers, consisting of both OCCB staff and/or private consultants. OCCB will continuously work to improve the skill-set of our staff and where necessary, will partner with competent consultants to deliver services to our grantees.

Prioritization: It is unrealistic to expect that organizations are able to tackle all aspects of capacity building at once. Therefore, the program is organized to first establish a solid foundation for continued progress. The focus of the program in the first year is on organizational development, with an emphasis on mission, vision and strategic planning. This forms the basis from which organizations move forward. Also, a first year focus is organizational management, with an emphasis on developing the organization's internal systems and infrastructure and improving Board governance and Executive Director Leadership. Toward the end of the first year, resource development is emphasized. The second year of the program focuses on implementation of the strategic plan, as well as project/program development and community relations and accountability.

Peer-connected: Throughout the program, there are opportunities for peer-to-peer networking, mentoring, and information sharing. This occurs primarily at OCCB trainings but organizations are also encouraged to continue to develop their relationships with other participants in the program.

Assessment Based: The program will begin with a thorough assessment of the needs and strengths of the organization, which will in turn determine the types of capacity building assistance provided. The program concludes with a post-assessment that is utilized as a tool to measure progress in the program.

Readiness: Nonprofits will be ready to receive capacity building services and in a good position to benefit from the program. The nonprofits' readiness is assessed as part of the Seed grant application review process.

Success Factors: In order to be eligible for a second year in the program, there are specific success factors that must be achieved during the first year. These factors will be included as part of the organization's work plan while they are in the program.

Evaluation: Throughout the year, grantees' progress in the program is evaluated and input will be sought from participants about how the program can be improved.

Specific Program Components

The capacity building program has five components:

1. Assessments

OCCB assessments are based on a review of the following five management elements:

- Organizational Development and Growth,
- Organizational Management,
- Resource Development,
- Program Development, and
- Community Relations and Accountability.

After an organization receives a grant award, OCCB administers two types of assessments. First, a self-assessment is given to each board member and staff person of the organization to complete. The self-assessment includes a series of questions to gauge how board members and staff perceive the effectiveness of their organization's operations. Next, OCCB staff conducts a comprehensive organizational assessment interview with the Executive Director and/or board president. Responses to the self-assessments, comprehensive assessment, and the subjective comments gathered from the participants determine what types of training and technical assistance an organization receives. This triangulation of information sets a baseline from which to assess future development and a set of capacity improvement recommendations are developed which form the basis of an organization's individualized work plan.

2. Work Plans

OCCB compiles the information from the assessment and subjective comments of the participants to create a work plan. The work plan is developed to identify, establish, and achieve milestones to attain organizational outcomes. OCCB works closely with each partner to develop a work plan that will help achieve their goals. OCCB works collaboratively with each organization to design milestones and outcome measures that help inform progress towards those goals.

OCCB defines milestones as completion of significant products, activities, and tasks that are needed for accomplishment of the final deliverable. Outcomes are benefits or changes for individuals during and/or after participating in the capacity building program. Outcomes may relate to knowledge, attitudes, values, skills, behavior, conditions or other attributes. Assistance to each organization is provided to help establish appropriate milestones, outcomes, and timeframes for completion.

Through periodic monitoring and monthly reports, DHCD and the organization track progress and provide the necessary technical assistance to ensure completion. **It is important to note that achieving the work plan components requires a significant investment of time and energy on the part of an Executive Director and especially,**

the Board of Directors. Furthermore, grant reimbursements are predicated upon the completion of work plan targets within their designated timeframes.

A plan of corrective action may be developed if DHCD believes that an organization is not progressing toward its established outcomes. If a plan of corrective action is developed, reimbursements may be suspended or modified until acceptable performance is achieved.

The work plan will set forth the minimum success factors that organizations must achieve in order to be eligible for a second year in the program. Those factors are as follows:

Organizational Development:

- Mission statement
- Vision Statement
- Strategic Plan

Organizational Management:

- Financial management system
- Personnel policies and procedures
- Board governance policies and procedures

Resource Development:

- Fund development committee
- Begin work on fund development plan

During the second year in the program, the organization's work plan will consist of implementing specific items from their strategic plan.

3. Training and Technical Assistance

Trainings

As a participant in the Seed Grant Capacity Building Program, grantees are required to attend a series of workshops, offered by OCCB, to enhance the organizations' level of capacity. On-site workshops are conducted by OCCB at a location designated by the grantee. These workshops bring the staff and board together to focus on particular capacity building issues. **At least seventy-five percent (75%) of the organization's board of directors are required to attend and participate in the workshops. Board members should plan to attend up to six, three to four hour workshops per program year. (See Appendix C)**

Bi-monthly or quarterly off site workshops are also provided for the grantee during the program year. These workshops are centered on specific issues critical for organizational effectiveness. **It is mandatory that the Executive Director and a minimum of one board member attend these trainings. Participants should plan to attend up to six**

one or two day trainings that will be held at DHCD's office in Richmond or another regional location.

Workshops also provide the opportunity for peer-to-peer learning opportunities. At these workshops, attendees are given the opportunity to interact, learn and discuss successes and challenges with other organizations. Last, other trainings and workshops are offered by OCCB through our Training Center. Grantees are encouraged but not required to attend these trainings.

Technical Assistance

OCCB provides direct technical assistance in operational or management issues. Assistance includes help in financial planning, program planning, fund development, marketing, and other specific assistance required by the organization. Technical Assistance is comprehensive and customized to the unique needs of grantees. If required, consultants may be hired with grant funds and overseen by OCCB staff for specific technical assistance.

4. Financial Assistance

Grantees can receive awards for a period of up to two years. Grantees can receive up to \$20,000 per year in Seed funds for organizational operating expenses. Receiving a second year award is contingent upon satisfactory performance in the first year's program requirements and activities. **Seed funds can only be used for general operating expenses. Funds cannot be used for projects. The following is a list of eligible categories for the expenditure of Seed funds:**

- Salaries, wages, and benefits
- Rent and utilities,
- Training and travel,
- Equipment and supplies
 - Any equipment purchased using Seed Support Grants is the property of the Commonwealth of Virginia until its ownership is officially transferred to the grantee
- Internet access and communication
- Contracted professional services

If an organization chooses to use Seed Funds to support salaries, wages, benefits or fees for independent contractors, the following items must be submitted prior to disbursement of funds:

- Job Description (including qualifications) or Scope of Work
- Copy of advertisement for position
- Copy of resume of selected applicant
- Copy of contract (if applicable)

Any equipment purchased using Seed funds are the property of the Commonwealth of Virginia until its ownership is officially transferred to the grantee. Grantees shall provide the following items with their monthly report immediately following the purchase of equipment:

- A copy of the purchase invoice
- Proof of payment
- Serial number
- Description of item
- Location where the item will be kept

A review of equipment purchases is a component of the monitoring visit. Equipment purchased with Seed funds may be subject to return to DHCD if the organization closes or suspends operation, if the organization does not perform under the Seed Fund Contract, or if the equipment is used in a manner which does not support the purpose for which it was funded.

Match Requirements

A twenty-five percent (25%) cash match is required for the Seed Support Grant. Matching funds are funds that are made available from the applicant's efforts in fundraising, sale proceeds, and fees that are used for the general operation of the organization. All identified cash match must be documented and submitted with programmatic and financial reports. DHCD must approve all documented match prior to the disbursement of funds.

5. Monitoring and Evaluation

Site Visits and Monitoring

Site visits are conducted on an as-needed basis or at a minimum, every quarter during the program year. DHCD conducts site visits to ensure the stable, compliant existence of all organizations assisted with Seed Funds to determine their level of growth. Program and production outcomes are also measured to assist in evaluating each organization's progress.

All recipients must allow for DHCD site visits and make available all relevant and required items to properly monitor the progress and activities of the organization. Any organization refusing a monitoring visit without good reason may be asked to return all or part of any previously disbursed Seed Funds and may not receive any future disbursements. The need for monitoring is left to the discretion of DHCD. The organization may be required to bring its records to DHCD for such monitoring.

Monthly Reports

Grantees are required to complete monthly reports that document progress towards milestones and outcomes set in the work plan. Documentation of accomplished milestones and plans to complete unfinished milestones are identified. **Completion of monthly reports is a mandatory requirement to receive future disbursements of program funds.**

Program Evaluation

Throughout the program, Participants will be asked to provide feedback and suggestions for improvements. The means of soliciting input will consist of both written surveys and focus group conversations.

Progress Evaluation

In order to determine the participants' progress in the program, a post-assessment will be administered at the end of the first year. The post assessment will gauge progress made in the areas of organizational growth, organizational management and resource development. At the conclusion of the second year in the program, another post-assessment will be administered to determine progress in all five areas of capacity building assistance: organizational development, organizational growth, resource development, project/program development, and community relations and accountability.

APPENDIX A – OCCB PROGRAMS AND SERVICES

OCCB offers the following programs and services:

Capacity Building Program

OCCB's Capacity Building Program focuses on building the capacity of **501 (c) (3) nonprofit community based organizations** by providing trainings and technical assistance to improve management and day-to-day operations. Nonprofit organizations can apply for technical and operating support assistance through the **Seed Fund Capacity Building Support Grant Program**. The Seed Program is targeted to nonprofits who have identified a gap in their capacity and are open to capacity building and the provision of technical assistance.

The Training Center

The OCCB Training Center offers trainings on organizational development and affordable housing development related topics. Organizational trainings include topics such as board roles and responsibilities, financial planning and budgeting, fund development, public relations, and volunteer recruitment and management. Affordable housing development topics include project development, finance, construction management, lease-up and management.

OCCB collaborates with other agencies or organizations to maximize resources and expertise. Trainings are held in various locations around the Commonwealth.

Facilitation Services

Organizations and localities throughout the state can utilize OCCB's facilitation services for specific strategic outcomes. Skilled OCCB staff can lead groups through strategic planning, project planning, issue resolution, process improvements and other meetings and planning sessions.

Short Term Technical Assistance

OCCB staff is comprised of experienced facilitators and housing development professionals who can provide technical assistance for a variety of needs. Technical Assistance can be provided both on an individual basis and/or group training sessions for organizations. The technical assistance provided includes capacity building activities and project specific assistance. Moreover, OCCB partners with other providers to provide direct technical assistance that is beyond our scope of services.

ARC Flex-E-Grant

The Flex-E-Grant Program is designed to help rural communities within Virginia's Appalachian Region's two distressed counties, Buchanan and Dickenson, improve their local economies. Flex-E-Grants are small investments in short-term projects that will build the community's capacity to mobilize local resources, gain leadership experience, and strengthen community institutions and networks. People and communities will become more informed, more self-reliant, and more effective in their continuing pursuit of economic change.

Funding Prospect Searches

OCCB is pleased to offer non-profit organizations in the Commonwealth of Virginia its services to conduct searches for funding prospects. OCCB searches can include information about foundations, for grants recently awarded, or both. Search requests are accepted at any time and results may take up to four weeks to receive. To request a funding prospect search, please complete and return the funding prospect form found at <http://www.dhcd.virginia.gov/CD/OCCB/> to OCCB.

Community Housing Development Organization (CHDO) Certification and Recertification

OCCB certifies organizations that apply for CHDO designation from the Virginia Department of Housing and Community Development (DHCD). DHCD is responsible for certifying organizations that serve non-entitlement areas in the Commonwealth. Similarly, OCCB is responsible for the annual recertification of existing DHCD-certified CHDOs.

Communities for Opportunities (CFO)

The focus of the CFO grant program is to assist Virginia workers in improving basic workplace skills for job placement, stability, retention and advancement. Basic skills, such as literacy, math, written and verbal comprehension, attitude and behavior (social skills) are the key skills that current employers seek. Proficiency in these areas leads to upward mobility in the workplace.

For more information about any of OCCB's programs and services, please contact the OCCB Program Support Specialist at (804) 371-7027 or visit us online at: <http://www.dhcd/CD/OCCB> .

APPENDIX B –NON-ENTITLEMENT LOCALITIES

CITIES

Bedford
Buena Vista
Covington
Emporia
Franklin
Galax
Harrisonburg*
Lexington
Martinsville
Norton
Poquoson
Radford*
Salem
Staunton
Waynesboro
Williamsburg
Winchester

COUNTIES

Accomack
Albemarle
Alleghany
Amelia
Amherst
Appomattox
Augusta
Bath
Bedford
Bland
Botetourt
Brunswick
Buchanan
Buckingham
Campbell
Caroline
Carroll
Charles City
Charlotte
Clarke
Craig
Culpeper
Cumberland
Dickenson
Dinwiddie
Essex
Fauquier
Floyd
Fluvanna
Franklin
Frederick
Giles
Gloucester
Goochland
Grayson
Greene
Greensville
Halifax
Hanover
Henry
Highland
Isle of Wight
James City County
King and Queen
King George
King William
Lancaster
Lee
Louisa
Lunenburg

Madison
Mathews
Mecklenburg
Middlesex
Montgomery
Nelson
New Kent
Northampton
Northumberland
Nottoway
Orange
Page
Patrick
Pittsylvania
Powhatan
Prince Edward
Prince George
Pulaski
Rappahannock
Richmond
Roanoke
Rockbridge
Rockingham
Russell
Scott
Shenandoah
Smyth
Southampton
Spotsylvania
Stafford
Surry
Sussex
Tazewell
Warren
Washington
Westmoreland
Wise
Wythe
York

APPENDIX B –NON-ENTITLEMENT LOCALITIES

TOWNS			
Abingdon	Damascus	McKenney	Surry
Accomac	Dayton	Melfa	Tangier
Alberta	Dendron	Middleburg	Tappahannock
Altavista	Dillwyn	Middletown	Tazewell
Amherst	Drakes Branch	Mineral	The Plains
Appalachia	Dublin	Monterey	Timberville
Appomattox	Duffield	Montross	Toms Brook
Ashland	Dungannon	Mount Jackson	Troutdale
Belle Haven	Eastville	Mount Crawford	Troutville
Berryville	Edinburg	Narrows	Urbanna
Big Stone Gap	Elkton	Nassawaddox	Victoria
Blacksburg*	Exmore	New Castle	Vinton
Blackstone	Farmville	New Market	Virgilina
Bloxom	Fincastle	Newsoms	Wachapreague
Bluefield	Floyd	Nickelsville	Wakefield
Boones Mill	Fries	Onancock	Warrenton
Bowling Green	Front Royal	Onley	Warsaw
Boyce	Gate City	Orange	Washington
Boydton	Glade Spring	Painter	Waverly
Boykins	Glasgow	Pamplin City	Weber City
Branchville	Glen Lyn	Parksley	West Point
Bridgewater	Gordonsville	Pearisburg	White Stone
Broadway	Goshen	Pembroke	Windsor
Brodnax	Gretna	Pennington Gap	Wise
Brookneal	Grottoes	Phenix	Woodstock
Buchanan	Grundy	Pocahontas	Wytheville
Burkeville	Halifax	Port Royal	
Cape Charles	Hallwood	Pound	
Capron	Hamilton	Pulaski	
Cedar Bluff	Haysi	Purcellville	
Charlotte Court	Hillsboro	Remington	
House	Hillsville	Rich Creek	
Chase City	Honaker	Richlands	
Chatham	Hurt	Ridgeway	
Cheriton	Independence	Rocky Mount	
Chilhowie	Iron Gate	Round Hill	
Chincoteague	Irvington	Rural Retreat	
Christiansburg*	Ivor	Saltville	
Claremont	Jarratt	Saxis	
Clarksville	Jonesville	Scottsburg	
Cleveland	Keller	Scottsville	
Clifton Forge	Kenbridge	Shenandoah	
Clinchco	Keysville	Smithfield	
Clinchport	Kilmarnock	South Boston	
Clintwood	La Crosse	South Hill	
Coeburn	Lawrenceville	St. Charles	
Colonial Beach	Lebanon	St. Paul	
Columbia	Leesburg	Stanardsville	
Courtland	Louisa	Stanley	
Craigsville	Lovettsville	Stephens City	
Crewe	Luray	Stony Creek	
Culpeper	Madison	Strasburg	
	Marion	Stuart	